

LEGISLATIVE AUDIT COMMISSION



Review of
Department of Children and Family Services
Year Ended June 30, 2005

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REVIEW: 4248
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
YEAR ENDED JUNE 30, 2005

FINDINGS/RECOMMENDATIONS - 14

ACCEPTED - 9
IMPLEMENTED - 5

REPEATED RECOMMENDATIONS - 9

PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 15

This review summarizes the auditors' reports of the Department of Children and Family Services (DCFS) for the year ended June 30, 2005, filed with the Legislative Audit Commission April 11, 2006. The auditors performed a financial audit and compliance examination in accordance with State law and *Government Auditing Standards*. The auditors stated the financial statements were fairly presented.

The Department of Children and Family Services is mandated to provide protective and preventive services to children and their families. The Department responds to this charge by protecting children who are at risk of harm, administering comprehensive community-based systems of youth services, remedying family problems that place children at risk of being removed from their homes, providing children with a safe nurturing environment when out-of-home placement is needed, and when appropriate, placing children in suitable adoptive homes. There are five Department service delivery programs designed to achieve client goals: Protective Services, Family Maintenance, Family Reunification and Substitute Care, Adoption and Guardianship and Support Services.

Bryan Samuels was the Director of the Department during the audit period. Mr. Samuels was appointed Director in April 2003, and he still serves in that position. Mr. Samuels was not previously employed by DCFS, but served as the chair of the Governor's DCFS task force for two months before being appointed Department Director.

The Department is organized into six regions: Central, Southern, Northern, Cook Central, Cook North, and Cook South. The Department has 81 field offices.

The number of employees was:

2005 - 3,353; 2004 - 3,406; 2003 - 3,619; 2002 - 4,030.

See Appendix A for the number of employees by DCFS division.

Unaudited data regarding the number of abuse and neglect reports and investigations, and the number of children and families serviced by DCFS are found in Appendix B. The 24-Hour Hotline received 249,764 calls in FY05. In FY05, the Department placed 2,505 children through adoption and subsidized guardianships. There were about 15,972

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children in foster care or relative care in FY05, a dramatic decrease from more than 42,000 eight years ago.

Expenditures From Appropriations

The General Assembly appropriated \$1,268,247,102 to DCFS in FY05. The total appropriation came from six different funds, and almost \$759 million, or 59.8%, was from the General Revenue Fund. Total expenditures decreased from to \$1,267,870,614 in FY04, to \$1,237,548,070 in FY05, a decrease of \$30.3 million, or 2.4%. Appendix C summarizes the total appropriations and expenditures by fund for FY05, FY04, and FY03. Appendix D is a schedule of expenditures by division and grant for FY05. This information was presented in the FY07 Budget Book. The decrease for FY05 is attributable to a \$13.7 million reduction in awards and grants and a \$16.6 million over-all reduction in operations and designated purposes. Lapse period spending totaled about \$92 million, or 7.5%, in FY05.

Cash Receipts

Appendix E summarizes cash receipts for the period under review. Cash receipts increased from \$405 million in FY04 to \$433.2 in FY05. The fluctuation in funds was due primarily to the timing of federal draw downs and the fiscal year with which they are identified.

Property and Equipment

Appendix F summarizes the property and equipment for which the Department was accountable. The beginning balance as of July 1, 2004 \$36,196,117 compared to \$33,722,117 as of June 30, 2005. The schedule in the audit report was prepared from Department records.

Accounts Receivable

Appendix G summarizes the Department's accounts receivable. The Department has two categories of accounts receivable. Parental accounts receivable are a result of fees assessed to parents of children who are receiving benefits from the Department through foster care or other services. Board accounts receivable are a result of overpayments by the Department to providers of care for children. Combined accounts receivable, net, with an allowance for uncollectibles of \$4,797,000 totaled \$420,000 in FY05.

Accountants' Findings and Recommendations

Condensed below are the 14 findings and recommendations included in the report. Of these, nine are repeated from prior audits.

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The following recommendations are classified on the basis of information from the auditors' report and updated information provided by Barbara Piwowarski, Deputy Director and Chief Financial Officer, via electronic mail dated October 31, 2006.

Accepted or Implemented

- 1. Reconcile all of the trust accounts maintained in the Children's Trust Fund monthly to the applicable balances as reported by the bank.**

Findings: The Department did not reconcile all trust accounts maintained in the Children's Trust Fund.

At June 30, 2005, the Department was in the process of consolidating children's trust accounts, previously maintained in individual savings accounts, into a single checking and investment bank account (consolidated account). Approximately \$2.1 million out of a total of \$4.2 million of the trust accounts maintained in the Department's Children's Trust Fund were still in individual savings accounts at June 30. The Department maintained a single trust account ledger to account for each of the children's trust account balances. There were 4,419 trust accounts in the trust account ledger at June 30. Although the Department was reconciling the trust accounts held in individual savings accounts at June 30, 2005 to balances reported by the bank, a reconciliation of the remaining trust account balances to the consolidated bank account was not performed.

Department management stated that because of the large number of trust accounts and because of coordination difficulties with the Social Security Administration, a complex situation was created that precluded their ability to reconcile the trust account balances which had been transferred to the consolidated account.

Response: Accepted. The challenges experienced in the migration to a single bank account were resolved by the end of October 2005. Accordingly, the bank account balance for the consolidated account has been reconciled since November 2005. No inaccurate financial reporting or misappropriation of funds was identified as a result of the reconciliation process.

Updated Response: Implemented. The bank account balance for the consolidated account has been reconciled since November 2005.

- 2. Review existing policies and apply procedures on a consistent basis at all regional offices including denial of requests for questionable purchases and submission of adequate supporting documentation for the purchase. Purchases should not be made until proper authorization has been obtained, where possible.**

Findings: The Department did not have adequate oversight of expenditures made for children's personal and physical maintenance.

Accepted or Implemented - continued

The Illinois Administrative Code details rules which identify the various types of services for which the Department may provide payment on behalf of children and families served by the Department. The Department has developed corresponding procedures for payments made for these services.

During fiscal year 2005, the Department expended \$4,485,676 (on over 6,500 vouchers) from a General Revenue Fund appropriation for personal and physical maintenance for children. The majority of the initial and replacement clothing for children is paid from this appropriation. Additionally, expenditures include camp and educational fees, cultural enrichment, travel, graduation expenses and tutoring. These payments are in addition to the regular monthly payment to caregivers for the child's room, board and clothing.

The auditors selected 30 vouchers paid from the children's personal and physical maintenance appropriation totaling \$10,803 to test for appropriateness and adequacy of support. Seventeen of the 30 vouchers tested resulted in questioned expenditures of \$7,355 (68% of the sampled dollars). The auditors found that a lack of review at both regional and Springfield central offices and inconsistent processing methods contributed to the expenditures being questioned.

Inadequate Explanation—Three replacement clothing vouchers totaling \$2,215, did not contain the required reasons for replacement. Additionally, certain items included in the expenditures did not appear related to the child for whom the purchases were made.

Incorrect Purchase Document—Six vouchers totaling \$1,533 were processed using form CFS 13/13-1 instead of form CFS 932.

Omitted Type Service Code—One voucher totaling \$2,163 did not contain a Type Service Code.

Use of Non Authorized Type Service Codes—Three vouchers totaling \$542 were processed using Type Service Codes which are not included in Procedure 359.

Inability to Determine Status of Preconditions—Two vouchers totaling \$706 were recorded as expenditures for initial clothing. Procedure 359 requires expenditures for initial clothing to be made within six months after the case is opened.

Unreasonable and Unnecessary Expenditure—One voucher totaling \$175 was for transportation services which were not reasonable or provided for in Procedure 359.75(i), which details the payment criteria for graduation expenses.

Sales Tax—One voucher totaling \$287 included a charge for sales tax of \$21. Purchases by the Department should be tax-exempt.

Response: Accepted. Procedures related to child care expenditures are currently being reviewed and modifications will be made where deemed necessary.

Updated Response: Implemented. Policies and processing instructions were revised in December 2005 and staff is being trained on changes, as needed.

3. **Continue efforts to develop ways to automate various recordkeeping functions and follow the procedures established concerning the welfare of children. The fulfillment of those procedures should be adequately documented. (Repeated-1998)**

Findings: The Department's Child Welfare and Foster Care and Intact Family Case files lacked required documentation and not all case procedures were performed timely.

During the review of case files, the auditors noted the following required documentation was not maintained in the file or was not prepared timely. The sample consisted of 60 case files.

<u>Case File Deficiency</u>	<u>Case File Requirement</u>
<ul style="list-style-type: none">• Five (8%) required administrative case reviews (ACRs) were not performed, and one (2%) was performed one month late.	ACRs by a trained professional that is not involved in the case management or delivery of services to the child must be performed every 6 months.
<ul style="list-style-type: none">• Five (8%) ACR notifications were not sent, and two (3%) notifications were mailed from one to seven days late.	Notification of ACR should be mailed to all parties involved, or interested, 21 days in advance.
<ul style="list-style-type: none">• One (2%) health summary was not maintained in the case file.	A summary of medical information relevant to service delivery must be maintained in the case file.
<ul style="list-style-type: none">• Two (3%) education and development summaries were not maintained in the case files.	A summary of educational and developmental information relevant to service delivery must be maintained in the case file.

Accepted or Implemented - continued

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| <ul style="list-style-type: none">• Twenty one (35%) medical and dental consent forms (CFS 415) were either not maintained in the case file or were outdated. | <p>Form CFS 415 must be maintained in the case file to provide for consent of ordinary and routine medical and dental care.</p> |
| <ul style="list-style-type: none">• Thirty two (53%) placement and payment authorization forms (CFS 906) did not contain all required documentation. | <p>Form CFS 906 must be completed and maintained in the case file and should include information concerning the child's placement status and other information critical to payment and approval documentation.</p> |
| <ul style="list-style-type: none">• Twenty nine (48%) of the case files did not contain current photographs of the child. | <p>Each case file must include a current photograph of the child for whom care is being provided.</p> |
| <ul style="list-style-type: none">• Two (3%) of the case files did not include required permanency hearing information. | <p>DCFS or its provider agency must participate in permanency hearings 12 months following the temporary custody hearing and every 6 months thereafter to select the permanency goal and review the appropriateness and progress of the service plan.</p> |

In the Department's previous compliance examination, the auditors had noted that six of sixty case files tested did not contain the initial case service plan and fourteen case files contained initial case service plans that had not been prepared timely. In the current period testing, all case files reviewed contained initial case plans and they were prepared timely. Also, the Department has automated some of the recordkeeping functions related

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to deficiencies noted above in an attempt to better comply with the applicable requirements.

Department officials indicated that the Department was unable to fulfill case file reporting requirements because of the high volume of cases assigned to the case workers.

Response: Accepted. The Department will continue to stress the importance of adequate and timely documentation for the placement cases identified by the auditor's findings as well as for all child family cases.

4. Determine reports of child abuse or neglect in compliance with the time frame mandated by the Abused and Neglected Child Reporting Act. (Repeated-1998)

Findings: The Department did not make determinations, within 60 days, in 1,140 of the 66,550 (1.71%) reports of child abuse and neglect referred to the Department, of whether the reports were "indicated" or "unfounded" as required by the Abused and Neglected Child Reporting Act. The Department may extend for up to an additional 30 days the period in which individual cases are determined.

The Department's Monitoring/Quality Assurance Division compiles statistics to track reports that are not determined to be either "unfounded" or "indicated" in compliance with the Act (within 60 days of receipt of the report, or within 90 days if a 30 day extension is permitted.) Following is a summary of those statistics:

Fiscal Year	Total Reports Requiring Determinations	Determinations Not In Compliance	Percentage of Determinations Not in Compliance
2005	66,550	1,140	1.71%
2004	62,069	1,294	2.08%
2003	58,956	952	1.61%
2002	59,080	492	0.83%
2001	59,003	226	0.38%
2000	61,787	187	0.30%
1999	62,054	1,502	2.42%
1998	65,877	2,125	3.23%
1997	68,124	1,223	1.80%

Department personnel stated that the inability to locate individuals critical to the investigation has prevented the timely completion of investigations. Also, in some instances the caseworkers failed to request an extension when permitted.

Response: Accepted. The Department will continue to make diligent efforts to be within 100% compliance of the timeframes set forth in ANCRA for making final determinations.

Accepted or Implemented - continued

5. Continue to strive to initiate investigations of all child abuse and neglect reports within 24 hours of receiving the report as mandated by the Abused and Neglected Child Reporting Act. (Repeated-1998)

Findings: The Department did not initiate an investigation within 24 hours for 260 of the 66,793 (.39%) reports of child abuse and neglect in FY05.

The Department's Monitoring/Quality Assurance Division compiles statistics and reports on instances of noncompliance with the Act, based on data extracted from the Department's data warehouse and the Department's Statewide Automated Child Welfare Information System (SACWIS). These reports are a summary of activity entered into SACWIS by the field offices.

Fiscal Year	Total Investigations	Investigations Not In Compliance	Percentage of Investigations Not in Compliance
2005	66,793	260	0.39%
2004	62,311	268	0.43%
2003	59,397	220	0.37%
2002	59,241	517	0.87%
2001	60,054	141	0.23%
2000	61,787	219	0.35%
1999	62,618	250	0.40%
1998	65,862	461	0.70%
1997	67,657	426	0.63%

According to Department personnel, noncompliance occurs for the following reasons:

- Staff recording the wrong initiation date (A.M. instead of P.M.); and
- Law enforcement requests due to criminal investigations.

Response: Accepted. The Department plans to explore corrective action for employees who fail to initiate investigations within 24-hour timeframe.

6. Adequately review, approve and process all vouchers in a timely manner. (Repeated-2004)

Findings: The Department did not adequately approve and process all vouchers in a timely manner. The auditors examined 267 vouchers and noted the following:

- 33 vouchers, 12.4%, were not approved or denied within 30 days of receiving the vendor invoice (approvals range from 31 to 152 days after receipt of the invoice) and
- 32 vouchers, 12%, were not paid within sixty days of receipt of the vendor invoice.

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Department officials indicated the failure to meet these requirements resulted from the high volume of vouchers received each day at the Department.

Response: Accepted. The Department will continue to review our invoice processing procedures to ensure that invoices are approved in a timely manner and, where necessary, make changes in the procedures.

7. Continue efforts to ensure all contracts are approved and signed before the beginning of the contract period. (Repeated-2002)

Findings: The Department did not have an adequate system in place to ensure that contracts are reviewed and signed on a timely basis.

During the review of 25 contracts, totaling \$59,769,024, the auditors noted 19 contracts, totaling \$39,884,160, were signed after the commencement of the contract period. The delays ranged from one to over 90 days

Department personnel stated that they have subsequently reviewed procedures and contract language in order to develop processes that will allow compliance with applicable rules and that changes have been made to procedures for developing and processing contracts to enable timely service delivery dates. However, most contracts commence at the beginning of the fiscal year, and accordingly, these changes were not evident in our FY '05 testing.

Response: Accepted. The Department will continue to improve processes that ensure that all contracts are approved and signed before the beginning of the contract period. In FY06, our revised procedures, which included completion of the required Procurement Business cases, resulted in 1,031 contracts being mailed to providers prior to July 1, and increase of 532 from FY05. Comparison of the number of contracts returned and processed also shows improvements, as follows:

<u>Contracts Processed</u>	<u>FY06</u>	<u>FY05</u>
Prior to July 1	196	0
Within 30 days of July 1	879	577
Within 60 days of July 1	421	642
Within 90 days of July 1	189	398

Updated Response: Accepted. Our revised procedures, which included completion of the required Procurement Business Cases, has resulted in more contracts being mailed to providers prior to July 1, and the number of contracts returned and processed also shows improvement.

8. Establish a tracking system and annually verify that adoption assistance agreements are still in force or have been renewed or seek a legislative change to the Act to allow DHS to perform this function. (Repeated-2003)

Accepted or Implemented - continued

Findings: The Department does not annually verify that adoption assistance agreements for children who are subject to agreements with another state are still in force or have been renewed.

The Interstate Compact on Adoption Act provides that a child with special needs who resides in Illinois and who is the subject of an adoption assistance agreement with another state shall be eligible for medical assistance from this state upon the filing of agreed documentation with the Illinois Department of Healthcare and Family Services, formerly known as the Department of Public Aid. The Act requires DCFS to at least annually establish that the agreement is still in force or has been renewed.

According to DCFS management, the Department of Human Services (DHS) monitors the children's status, has a database established to monitor the day-to-day activities and annually verifies that the approximately 1,200 adoption assistance agreements are still in force for each child; however, the Interstate Compact Department within DCFS does not.

Response: Accepted. The Department agrees that the DCFS Interstate Compact office is not currently tracking each of the approximately 1,200 agreements. However, we believe the State is in compliance with the spirit of the Interstate Compact on Adoption Act. While DCFS is not currently tracking the agreements, and never has, the Department of Human Services has been performing this function for the last several years. The Department agrees that the mandate appears to be out of date and will seek to initiate legislation to modify the mandate.

9. Begin to strictly enforce policies and procedures regarding timekeeping and overtime. It is essential that employees work in the most cost effective manner to prevent misuse of taxpayers' monies. (Repeated-2002)

Findings: Department employees worked overtime without proper prior approval. All bargaining units and merit compensation employees, grades 1 through 6, are eligible for overtime, as provided for in union agreements and the Fair Labor Standards Act. During fiscal year 2005, 1,856 employees received overtime payments totaling \$2,486,090.

The auditors selected 15 employees and reviewed each person's overtime for a 30 day period. Overtime was incurred on 114 days for those individuals in our sample. The following deficiencies were noted:

- overtime for 13 days (11%) lacked any documentation of approval,
- approval forms for 68 days (60%) were signed after the overtime was worked,
- approval forms for 7 days (6%) were signed, but not dated, and
- approval forms for 4 days (4%) were signed but not completed (i.e., the supervisor did not indicate whether the overtime request was approved or denied.)

Department policy requires supervisory approval of overtime before it is worked. The policy states that "overtime must be approved by the supervisor in advance before compensation

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will be authorized.” The Department utilizes an Overtime or Compensatory Time Request Form as its procedure for ensuring overtime is approved and documented. We noted no changes to the Department policies and procedures concerning overtime during the current examination period.

According to Department officials unapproved overtime request forms exist due to occasional personnel failure to fully complete their duties.

Response: Accepted. The Department agrees that no employee should be compensated for overtime unless it was worked and authorized. We will work to remind supervisors to review, approve, and date requests for overtime timely in accordance with department procedure and/or supplemental labor agreements.

Updated Response: Implemented.

10. Formalize existing review process in which all telephone bills are to be reviewed and approved by both staff personnel and division heads and then enforce these policies. (Repeated-2004)

Findings: Department personnel did not properly review and approve all telephone charges on the telephone bills received and paid by the Department. During the review of telecommunication expenditures, the auditors tested a sample of 25 invoice vouchers. Although all invoice vouchers were signed by the division head, they noted that 12 of 25 invoices (48%) had no indication of being reviewed by the employee that incurred the charge. The total amount expended for telecommunications during fiscal year 2005 was \$4,578,049.

Department officials indicated their failure to properly review the telephone charges was due to a lack of enforcement of informal policies. The Department does not have a detailed written policy enforced in each division to ensure each employee reviews and approves his/her phone charges indicating the charges are in fact “Official State Business.”

Response: Accepted. The Department agrees that the existing review procedures need to be updated and formalized, so as to apply equally to all staff, and be applied consistently throughout the Department. We will review and modify procedures, as necessary, to have assigned staff complete the review of telecommunications bills timely.

11. Strictly enforce the existing policies regarding timely completion of performance evaluations.

Findings: Annual performance evaluations were not completed on a timely basis. Of the 34 employee personnel files examined, 21 files (62%) did not contain timely evaluations and 13 files (38%) did not contain an evaluation for the current year. The 21 evaluations not performed timely were from 51 to 613 days late.

Accepted or Implemented - continued

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Department personnel indicated the delays in completing performance evaluations were due to supervisors having other priorities.

Response: Accepted. The Department agrees that performance evaluations should be completed timely. With the recent (December 2005) announcement of pay raises, an intense effort has been undertaken to see that all evaluations are brought up to date.

Updated Response: Implemented.

12. Continue efforts to develop and include measurable criteria and participation requirements in contracts with residential and group home service providers. Enforce consequences for providers not meeting the terms of those contracts. (Repeated-2003)

Findings: The Department's contracts with residential and group home service providers did not include measurable criteria necessary to ensure desired results are achieved.

The Department contracts with numerous institutions to provide residential, group home, emergency shelter services, and other services. In the Department's previous compliance examination, the following problems were noted:

- Service provided before the contract was signed and approved;
- No on-site monitoring for most service providers;
- No specific measurable criteria within the contracts; and
- Insufficient fiscal monitoring of contract payments.

In January 2005, the Department created the Residential Performance Monitoring Unit (RPMU). The RPMU conducts on-site monitoring of residential and group home facilities that provide treatment for children. Unannounced site visits of providers are conducted at least once each month. Any deficiencies identified in the site visits are communicated to the Department's Division of Placement and Permanency (DP&P). The DP&P either directs the RPMU to increase the monitoring of the deficient provider, or program consultants are utilized to support and improve the residential program. The Department has also established measurable criteria for performance and process outcomes by partnering with Northwestern University and developing the Child and Adolescent Needs and Strengths Assessment for each youth in residential care. This is a standardized instrument that is completed quarterly and used to measure a youth's performance in the residential environment.

The Department has trained monitoring personnel by requiring each to participate in a one-week pre-service training, periodic training, and supervisory meetings during the first year of operation of this new unit. The formal guidelines for monitoring are in the process of being finalized.

The Department was in the process of modifying residential care contracts to include monitoring and participation requirements that were recommended by the RPMU. The Department anticipates that the finalization of these addendums to the contracts will be

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finished in the later part of FY 2006. Good internal control procedures require specific, measurable criteria be established and documented in the contracts with service providers.

Response: Accepted. The Department plans to continue its efforts to include measurable criteria and participation requirements in all its contracts with residential and group homes service providers. We expect that the finalization of these efforts will be completed in the later part of 2006.

13. Carefully determine whether the terms of all contracts are met and that adequate documentation is obtained prior to expending State refunds. Further, determine whether applicable travel paid to the vendor would have resulted in an offset to the commission paid and seek reimbursement if appropriate.

Findings: The Department paid a commission without obtaining adequate documentation to determine whether such payment was owed according to the terms of the State's contract with the vendor.

During fiscal year 2005, the Department received \$20,000 from a corporate contributor, which the Department earmarked to be used for educational scholarships. The Department paid a \$3,000 commission to a third party (referred to as "Vendor") in connection with the contribution in February 2005. The Department of Central Management Services (CMS) had contracted with the Vendor to develop and implement a program of marketing initiatives, utilizing the State of Illinois' physical and intangible assets, to generate sponsorship revenue for the State.

The contract with the Vendor requires the State to reimburse the Vendor for its travel to and from Washington, D.C. However, the contract stipulates that any such reimbursements will be deducted from commissions due to the Vendor. The Department did not ascertain whether there were any travel costs which should have been deducted from the commission paid to the Vendor.

Department management stated they were unaware of any travel costs related to the contribution received.

Response: Accepted. The Department agrees that terms of contracts should be met prior to making payment and we plan to inquire and request documentation regarding potential offsets with any similar future payments. Additionally, the Department will inquire from CMS whether an offset should have been made for this payment and, if so, seek advice as to the most appropriate way to obtain reimbursement for the State.

Updated Response: Accepted. We are communicating with CMS who is reconciling travel costs and payments with the vendor and expect to resolve the issue of potential offset.

Accepted or Implemented - concluded

14. Require all employees to submit documentation of time spent each day on official State business.

Findings: The Department did not adequately document employees' time spent on official State business as required by the State Officials and Employees Ethics Act.

During FY05, the Department employed approximately 3,350 employees and expended \$183,192,676 for salaries and wages. Although the Department maintains various attendance records, not all employees were required to document that time submitted was for official State business. The focus of the time reporting records was on attendance and total hours. The format used did not require employees to document how they spent their time or state that their working time was spent on official State business.

Department management stated that they believed the time sheets utilized for its executive staff and the time reporting records required of all other employees were adequate to reflect time worked on official State business.

Response: Accepted. The Department will modify time sheets so the attendance reported each day will identify the time worked and reported as "official State business" for each employee. The Department has already implemented a reporting process for executive staff that is in accordance with the guidelines specified in the state Employee's Ethics Act.

Updated Response: Implemented.

Emergency Purchases

The Illinois Purchasing Act (30 ILCS 505/1) states, "The principle of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts..." The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption for emergencies "involving public health, public safety, or where immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage ... prevent or minimize serious disruption in State services or to insure the integrity of State records, or to avoid lapsing or loss of federal or donated funds. The chief procurement officer may promulgate rules extending the circumstances by which a purchasing agency may make 'quick purchases', including but not limited to items available at a discount for a limited period of time."

State agencies are required to file an affidavit with the Auditor General for emergency procurements that are an exception to the competitive bidding requirements per the Illinois Purchasing Act. The affidavit is to set forth the circumstance requiring the emergency purchase. The Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General.

The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

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During FY05, the Department filed six affidavits for emergency purchases totaling \$13,928,185.50 for the following items:

- \$12,869,000.00 for computer services,
- \$960,685.50 for healthcare services, and
- \$98,500.00 for a court agreement for long-term care and adoption of two wards.

Headquarters Designations

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State agency is required to file reports of all of its officers and employees for whom official headquarters have been designated at any location other than that at which their official duties require them to spend the largest part of their working time.

In August of 2005, the Department indicated it had 25 employees who spend more than 50% of their time working at locations other than their official headquarters.